

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF RESIDENTS OF)
LEE COUNTY, KENTUCKY, TO PETITION)
THE LEE COUNTY COURT FOR THE)
ESTABLISHMENT OF THE ST. HELEN'S)
WATER DISTRICT)

CASE NO. 8733

O R D E R

On November 29, 1982, the Public Service Commission received an application signed by five resident freeholders of Lee County, Kentucky, desiring the formation of a water district to be known as the St. Helen's Water District. The proposed service area was indicated on an accompanying map to consist of that portion of Lee County east of Beattyville bounded by the North and South Forks of the Kentucky River and the county line. The number of potential customers was listed as approximately 250 homes initially with a growth potential to approximately 500 homes within a 5-year period. The source of the water supply was given as the City of Beattyville's water system. The application designated Mr. Shelby Kincaid as the spokesman for the St. Helen's Water Committee.

A hearing was held on February 16, 1983, in the offices of the Public Service Commission, Frankfort, Kentucky. A feasibility study of the proposed water district that had been prepared by a staff engineer of the Commission was introduced into evidence. The staff engineer's report concluded that consideration should be given to serving the residents of the proposed service area through one of the existing Lee County water utilities--South Side Water Association or City of Beattyville. The report recommended that the St. Helen's Water District not be established. Mr. Kincaid stated that the St. Helen's Water Committee agreed with the staff's report and "...that it would be more appropriate and would probably work better if something could be worked with the city on just extending the water lines... without forming a water district."¹ In a joint meeting between Lee County Fiscal Court members and the Mayor of Beattyville, the Mayor agreed that the City would provide water service if it could be financed.² Lee County has applied for a community development block grant for the area in question and, if the grant is approved, could make the funds available to either the City or to the South Side Water Association.³ According to Mr. Kincaid, the City's intended wholesale water rate of \$3.70 per thousand gallons would render the proposed St.

¹ Transcript of Evidence, February 16, 1983, page 5.

² Ibid., page 8.

³ Ibid., page 13.

Helen's Water District unacceptable for Farmers Home Administration financing.⁴

The Commission, after consideration of the record and being advised, is of the opinion and finds that:

(1) There is a definite need for a water distribution system in the St. Helen's area of Lee County.

(2) The City of Beattyville has adequate water treatment capacity to provide potable water to the area.

(3) The City of Beattyville and the South Side Water Association both operate existing water systems in the immediate vicinity of the proposed service area.

(4) The geographical area sought to be served by the proposed St. Helen's Water District can be served more feasibly by either or both of the existing water suppliers.

(5) The St. Helen's Water District as proposed is not a financially viable organization for operating and maintaining a system and should not be established.

IT IS THEREFORE ORDERED that the application of the residents of Lee County, Kentucky, to petition the Lee County Court for the establishment of the St. Helen's Water District be and it hereby is denied.

⁴ Ibid., page 30.

Done at Frankfort, Kentucky, this 16th day of March, 1983.

PUBLIC SERVICE COMMISSION

Larry J. Murrell
Chairman

Katherine Randall
Vice Chairman

Donn Carver
Commissioner

ATTEST:

Secretary